

I hereby certify this to be a true copy of  
the original Order  
dated this 21 day of March 2016

for Clerk of the Court



COURT FILE NUMBER 1501-08634  
COURT COURT OF QUEEN'S BENCH OF ALBERTA  
JUDICIAL CENTRE CALGARY  
APPLICANT ROYAL BANK OF CANADA  
RESPONDENTS SPRAGUE-ROSSER CONTRACTING CO.  
LTD., SPRAGUE-ROSSER DEVELOPMENTS  
INC., PACIFIC FEDERATION EQUITY  
GROUP INC., JEFFREY JESSAMINE,  
DANIEL EDWARDS AND MATTHEW  
MACKAY  
DOCUMENT **APPROVAL AND VESTING ORDER  
(Sale of Lands by Receiver)**  
ADDRESS FOR SERVICE AND CONTACT  
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DATE ON WHICH ORDER WAS PRONOUNCED: March 18, 2016  
LOCATION WHERE ORDER WAS PRONOUNCED: Calgary, Alberta  
NAME OF JUSTICE WHO MADE THIS ORDER: Justice K.M. Horner

**UPON THE APPLICATION** of Alvarez & Marsal Canada Inc., in its capacity as the court-appointed receiver and manager (the "**Receiver**") of the assets, undertakings, and properties (collectively, the "**Property**") of Sprague-Rosser Contracting Co. Ltd. ("**Contracting**"), Sprague-Rosser Developments Inc. ("**Developments**"), and Pacific Federation Equity Group Inc. ("**Pacific Federation**") (Pacific Federation, Contracting, and Developments are collectively referred to as the "**Debtors**") pursuant to the order issued by this Honourable Court on July 31, 2014, as subsequently amended and restated on August 7, 2014 (collectively, the "**Receivership Order**") in the within proceedings (the "**Receivership Proceedings**"); **AND UPON** having read the Application (as defined below) and the Seventh Report of the Receiver, dated March 7, 2016 (the "**Seventh Receiver's Report**"), filed; **AND UPON** having read the Confidential Appendix "A" to

the Seventh Receiver's Report, dated March 7, 2016 (the "**Confidential Appendix**"); **AND UPON** having read the Affidavit of Service of Marcia Smith, sworn March 7, 2016 (the "**Service Affidavit**"); **AND UPON** hearing counsel for the Receiver and any other counsel present:

**IT IS HEREBY ORDERED AND DECLARED THAT:**

**SERVICE**

1. The Notice of Application in respect of this Order (the "**Application**") is properly returnable on March 18, 2016, service of the Application and the Seventh Receiver's Report, in the manner described in the Service Affidavit, is validated and declared to be good and sufficient, and no persons, other than those listed on the Service List (being the persons listed in Schedule "**A**" to the Service Affidavit), are entitled to be served with or given notice of the Application or served with a copy of the Seventh Receiver's Report.

**APPROVAL OF RECEIVER'S ACTIONS**

2. The actions, conduct, and activities of the Receiver, as outlined in the Seventh Receiver's Report, are hereby approved.

**APPROVAL OF TRANSACTION**

3. The Receiver, for and on behalf of Contracting, is authorized and directed, *nunc pro tunc*, to execute and deliver the Purchase and Sale Agreement, effective February 26, 2016 (the "**Supreme PSA**"), between Contracting, as vendor, and Supreme Star Holdings Inc. ("**Supreme**"), as purchaser, attached as Appendix "**B**" to the Seventh Receiver's Report, in respect of the lands described in Schedule "**A**" hereto (the "**Lands**").

4. The Receiver, for and on behalf of Contracting, is authorized and directed to conclude the transaction contemplated by the Supreme PSA (the "**Supreme Transaction**"). The Supreme Transaction is hereby approved and the execution of the Supreme PSA by the Receiver is hereby authorized and approved. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Supreme Transaction or for the conveyance of the Lands to Supreme or to agree to amendments to the Supreme PSA and the Supreme Transaction provided that such amendments do not materially alter the current terms or conditions of the Supreme PSA and the Supreme

Transaction. Without limiting the generality of the foregoing, the Receiver is specifically authorized to:

- (a) Take all steps necessary to effect the transfer of the Lands to Supreme;
- (b) Execute and deliver transfers of the Lands and any other documents or records for and on behalf of Contracting; and
- (c) Take any steps incidental to these powers to cause the closing of the Lands.

### **VESTING OF PROPERTY**

5. Effective immediately upon the closing of the Supreme PSA, all of Contracting's legal and beneficial interest in and title to the Lands shall be irrevocably assigned to and vest absolutely in Supreme or its assignee, free and clear of any and all security interests (whether contractual, statutory or otherwise), liens, executions, levies, charges or other financial or monetary claims, whether or not they have been attached, registered, perfected or filed and whether secured, unsecured, liquidated, contingent or absolute and including, without limitation, any claims arising under the Receivership Order or any other order granted in the within proceedings (collectively, the "**Claims**").

6. The Registrar of Land Titles (the "**Registrar**") is directed, upon being presented with an original letter confirming that all conditions required to permit the registration of a transfer of the Lands have been met, to cancel the existing certificate of title to the Lands and issue a new certificate of title in the name of Supreme as specifically set out in the said letter, free and clear of all encumbrances identified in Schedule "B" hereto.

7. The Registrar is directed to perform all actions required pursuant to this Order forthwith and notwithstanding the requirements of Section 191(1) of the *Land Titles Act* (Alberta).

8. Upon the closing of the transactions contemplated by the Purchase Agreement, the Receiver is authorized and empowered to distribute the net remaining cash proceeds from the sale of the Lands (the "**Net Proceeds**") in accordance with the terms of the Order issued in the within proceedings in Edmonton in Court File No. 1403-10990 on July 17, 2015.

9. It is ordered and declared that, notwithstanding the pendency of these proceedings or the provisions of any federal or provincial statute, the vesting provisions made in this Order:

- (a) Will not be void or voidable at the instance of creditors and claimants;
- (b) Do not constitute and shall not be deemed to constitute fraudulent preferences, fraudulent conveyances, transfers at undervalue or otherwise be subject to challenge under the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**"), the *Fraudulent Preferences Act* (Alberta) or any other applicable federal or provincial legislation;
- (c) Do not constitute and shall not be deemed to constitute conduct meriting an oppression remedy; and
- (d) Shall be binding on any trustee in bankruptcy that may be appointed in respect of any of the Debtors pursuant to the BIA.

#### **SEALING**

10. Part 6, Division 4 of the *Alberta Rules of Court*, Alta. Reg. 124/2010 does not apply to the Application and the Clerk of the Court is hereby directed to seal the Confidential Appendix on the Court file until the conclusion of the Receivership Proceedings and that the Confidential Appendix shall not be made publically accessible until such time. The Confidential Appendix shall be sealed and filed in an envelope containing the following endorsement thereon:

THIS ENVELOPE CONTAINS THE CONFIDENTIAL APPENDIX "A" TO THE SEVENTH REPORT OF THE RECEIVER, DATED MARCH 7, 2016. THE CONFIDENTIAL APPENDIX "A" TO THE SEVENTH REPORT OF THE RECEIVER IS SEALED PURSUANT TO AN ORDER ISSUED BY THE HONOURABLE JUSTICE K.M. HORNER, DATED MARCH 18, 2016, AND IS NOT TO BE PLACED ON THE PUBLIC RECORD OR MADE PUBLICALLY ACCESSIBLE.

11. Any person may apply, on reasonable notice to the Debtors, the Receiver, and any other persons likely to be affected, to vary or amend the terms of paragraph 10 of this Order.

#### **FURTHER ASSISTANCE AND SERVICE**


12. The Receiver, Supreme, and any other interested party, shall be at liberty to apply for further advice, assistance and directions as may be necessary in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the Supreme Transaction.

13. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals regulatory and administrative bodies are hereby respectfully requested to make such orders as to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

14. This Court hereby requests all registries, regulatory bodies, administrative bodies, and Land Titles Registries to make or accept such assignments or registrations and to provide such assistance to the Receiver, as an officer of the Court, to give effect to the terms of this Order.

15. This Order must be served only upon those interested parties attending or represented at the within Application and service may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following the transmission or delivery of such documents.

16. Service of this Order on any party not attending this Application is hereby dispensed with.

  
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J.C.Q.B.A.

**Schedule "A"**  
**Description of the Lands**

PLAN 0821861  
BLOCK 2  
LOT 15  
EXCEPTING THEREOUT ALL MINES AND MINERALS

**Schedule "B"**  
**Encumbrances, Liens and Interests to be Deleted and Expunged**

<u>Encumbrance No.</u>	<u>Encumbrance Type</u>	<u>Party</u>
082 212 128	Mortgage	Royal Bank of Canada
082 257 288	Caveat re Purchasers Interest	Gocan Corp. Serengetti Developments Ltd. U Construction Ltd.
102 172 377	Mortgage	Royal Bank of Canada
102 172 378	Caveat re Assignment of Rents and Leases	Royal Bank of Canada
102 226 681	Caveat re Amending Agreement	Royal Bank of Canada
132 018 417	Caveat re Vendor's Lien	Sprague-Rosser Contracting Co Ltd.
132 085 815	Caveat re Purchasers Interest	Proland Corp. 572750 Alberta Ltd.
132 151 294	Certificate of Lis Pendens	
142 254 777	Caveat re Agreement Charging Land	BDC Capital Inc.